DOCUMENT RESUME

ED 291 331 HE 021 228

| | |
|---|---|
| TITLE | Ontario Universities Benefits Survey, 1987-88. Part II: Pensions. |
| INSTITUTION | University of Western Ontario, London. |
| SPONS AGENCY | Council of Ontario Universities, Toronto.; Ontario Association of University Personnel Administrators, Toronto.; Ontario Confederation of University Faculty Associations, Toronto. |
| REPORT NO | ISBN-0-88799-225-0 |
| PUB DATE | 88 |
| NOTE | 51p.; For related document, see HE 021 227. |
| AVAILABLE FROM | Council of Ontario Universities, 139 St. George Street, Suite 8039, Toronto, Ontario, M5S 2T4, Canada. |
| PUB TYPE | Statistical Data (110) -- Reports - Descriptive (141) |
| EDRS PRICE | MF01/PC03 Plus Postage. |
| DESCRIPTORS | *College Faculty; Comparative Analysis; Early Retirement; Eligibility; Foreign Countries; Higher Education; Program Administration; *Retirement Benefits; *Teacher Retirement; Universities |
| IDENTIFIERS | Annuities; *Ontario |

ABSTRACT

Results of a 1987-1988 survey of pensions plans in 17 Ontario, Canada, universities are presented. Information is provided on: eligibility, the type of plan, member contributions, university contributions, benefits on normal retirement (at age 65) and on early retirement (at age 55), trustee, investment manager, and pension committee composition and status. There are nine defined benefit plans, seven money purchase plans with minimum guarantees, and one money purchase plan with no guarantees, although this plan does has a minimum guarantee for those who were age 45 and belonged to an old plan as of July 1970 and for staff who were full-time employees on May 1, 1974. Indexing and annuities are also covered, along with benefit provisions on termination of employment and on death. The following universities are surveyed: Brock University, Carleton University, University of Guelph, Lakehead University, Laurentian University, McMaster University, Ontario Institute for Studies in Education, University of Ottawa, Queen's University, Ryerson, University of Toronto, Trent University, University of Waterloo, University of Western Ontario, Wilfrid Laurier University, University of Windsor, and York University. (SW)

**********
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
**********

ED291331

# ONTARIO UNIVERSITIES BENEFITS SURVEY 1987-88

## Part II
## Pensions

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Council of Ontario Universities

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

- ☑ This document has been reproduced as received from the person or organization originating it.
- ☐ Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

HE 021 228

COUNCIL OF ONTARIO UNIVERSITIES
CONSEIL DES UNIVERSITÉS DE L'ONTARIO

BEST COPY AVAILABLE

# ONTARIO UNIVERSITIES BENEFITS SURVEY, 1987-88

## Part II
## Pensions

Prepared by:

University of Western Ontario

On behalf of:

Ontario Association of
University Personnel Administrators

Ontario Confederation of
University Faculty Associations

Council of Ontario Universities

Published by:

Council of Ontario Universities
Conseil des Universites de l'Ontario
130 St. George Street, Suite 8039
Toronto, Ontario, M5S 2T4

ISBN 0-88799-225-0
ISSN 0225-5340
COU 88-4

INDEX


| | Page |
|---|---|
| Survey Summary | 1 |
| Description of Terms and Abbreviations Used | 3 |
| Brock University | 5 |
| Carleton University | 7 |
| University of Guelph | 9 |
| Lakehead University | 11 |
| Laurentian University/Universite Laurentienne | 13 |
| McMaster University | 16 |
| Ontario Institute for Studies in Education | 18 |
| University of Ottawa/Universite d'Ottawa | 20 |
| Queen's University | 23 |
| Ryerson | 25 |
| University of Toronto | 28 |
| Trent University | 30 |
| University of Waterloo | 32 |
| University of Western Ontario | 34 |
| Wilfrid Laurier University | 37 |
| University of Windsor | 39 |
| York University | 43 |
| Early Retirement Options | 45 |

## SURVEY SUMMARY

The following summarizes the results of this survey of pension plans in Ontario universities according to type of plan, eligibility, contributions, and benefits.

**Type of Plan:**

There are 9 defined benefit plans, 7 money purchase plans with minimum guarantees, and 1 money purchase plan with no guarantees, although Western does have a minimum guarantee for those faculty who were age 45 and belonged to the old plan as of 1 July 1970, and for staff who were regular full-time employees on May 1, 1974. The faculty plan at Western is stacked and the Staff Plan is integrated, with the Canada Pension Plan with regard to contributions and benefits.

**Eligibility:**

All plans are eligible to full-time academic and non-academic staff. In addition, Carleton, McMaster, OISE, Queen's, Toronto, Trent and York offers membership to part-time staff. Participation is compulsory from date of appointment in 4 plans, from age 25 in 2 plans, from age 30 in 7 plans, from age 35 in 2 plans, after 6 months employment in 1 plan, and upon completion of probationary period in 1 plan.

**Member Contributions:**

Contribution rates vary widely (percentage of regular earnings):

i) 2 1/2% up to YMPE and 5% in excess - 1 plan
ii) 3 1/2% up to YMPE and 5% in excess - 1 plan
iii) 4.2% up to YMPE and 6% in excess - 2 plans
iv) 4.875% up to YMPE and 6% in excess - 1 plan
v) 4 1/2% up to YMPE and 6% in excess - 4 plans
vi) 6% less CPP - 4 plans
vii) 6 1/4 less C.P.P. - 1 plan
viii) 6 1/2% less CPP - 3 plans
ix) 5.25% of earnings - 1 plan
x) 5 1/2% to univ. plan - 1 plan

**University Contributions:**

In all but 6 plans, university contributions at least match member contributions, but must also provide the benefits accruing under the plan. In the remaining six plans, the university contributes 7.5% less C.P.P. (Queens) 7.5% (Western Staff Plan) and 8.5% (Western Faculty Plan) 6.7% up to YMPE and 8.5% in excess (Laurentian) 8.4% less C.P.P. (Carleton). 6.63% of member's regular earnings (W.L.U.).

**Benefits:**

1) on Normal Retirement:

In all but 2 plans, normal retirement is at age 65. In the 2 other plans normal retirement is July 1st following 65th birthday (U.W.O. Faculty plan and Trent). Of those defined benefit plans or money purchase plans with minimum guarantees, 2 plans (Brock and Ryerson) reduce university pension only back to 1 January 1966 by way of integration with the CPP. Two other plans (Carleton and Wilfrid Laurier) also reduce pensions by 1/35th of CPP benefit, but for all years of service to a maximum 35 years. The remaining plans provide benefits based on a percentage of the average of/or year/s maximum pensionable earnings (YMPE) of the CPP plus a (higher) percentage on average best years' earnings in excess of the YMPE. Average best years' earnings are calculated on those 5 years of highest earnings in 10 plans, on those 60 consecutive months of highest earnings in 4 plans, on those 5 years of highest earnings in the last 10 years in 2 plans, and on those 5 years of highest earning since July 1, 1960 in 1 plan.

Indexing:

In 5 plans, indexing is to a maximum 2%, in 1 plan (Laurentian) to a maximum 3%, in 1 plan (Waterloo) from a minimum 5%, 1 plan - C.P.I. - less 3% (Guelph), 1 plan uses excess earnings over 4.5% or C.P.I., whichever is less (McMaster), 1 plan uses current GIC rate minus actuaries assumed interest rate (Trent), 1 plan has no indexing or no formal policy, 2 plans provide Ad Hoc adjustments, 1 plan (Ryerson) has a special fund, 1 plan 4 year average rate of investment return on fund less 6% (Carleton), 1 plan 60% of C.P.I. to a maximum of 8% (O.I.S.E.) C.P.I. less 4% (Toronto) and 2 plans four year moving average (York, Queens).

Standard Options:

The Annuity or benefit is normally payable for life but guaranteed 60 months in any event in 12 plans, payable for life but guaranteed 120 months in 1 plan, and payable for life only in 3 plans. Other options are available in all plans.

2) on Early Retirement:

In all plans, early retirement may begin at age 55. In all plans with minimum gaurantees and in all defined benefit plans, the amount of benefits is based on service and earnings to early retirement regardless of when benefits commence. The member normally has a choice of a deferred benefit or annuity beginning at normal retirement or a reduced benefit beginning at early retirement.

3) on Termination:

In all plans, member has choice of (i) deferred benefit payable at normal retirement, (ii) transfer of money purchase fund (in money purchase plans) or twice member's contributions plus interest (in defined benefit plans) to the registered pension fund of a new employer or to an RRSP, or (iii) refund of total account including interest. The choice of options is governed in part by Ontario pension laws. Option (iii) is only available in 1 plan (Western), and the refund is twice the member contributions plus interest in another plan (Trent).

4) on Death:

Before retirement:

In 14 plans, the beneficiary receives either all member and university contributions plus interest or only member's contributions plus interest as an annuity, in instalments, or as a lump sum. In 2 plans, there is a benfit paid to the spouse (usually 50% of member's pension) or, if no spouse, the beneficiary receives member's contributions plus interest.

After retirement:

In all plans, benefit entitlement to the beneficiary is determined by the guaranteed period of benefit payments.

Model Pension Calculation:

An example of calculation is shown in each case of the pension provided under a defined benefit formula or a minimum guarantee formula. The average best year's earnings (ABYE) was taken as being $50,000 regardless of the time period over which it was calculated. The example assumes normal retirement at age 65 with 35 years of service as of December 1, 1987. Annual pensions from the formulae range from $23,805.40 at Laurentian to $35,000.00 at Trent. These pensions are in addition to Canada Pension Plan and Old Age Security benefits.

## DESCRIPTION OF TERMS AND ABBREVIATIONS USED

1) **Pension Plans:**

**Money Purchase:** employee and employer both contribute a fixed percentage of salary to a fund which is expected to grow through investmetn. At retirement, this fund is used to purchase an annuity which will provide the annual pension benefits to the employee. There are no specific provisions made for dealing with inflation but these plans are usually fully portable.

**Money Purchase with Minimum Guarantee:** employee and employer both contribute specified amounts as in the money purchase plan but, in addition, the employer guarantees a minimum pension via a formula such as in the defined benefit plans. At retirement, the employee chooses between the benefits provided by the money purchase and the minimum guarantee. The minimum guarantee component of most plans is indexed to a maximum 2-3% as a means of offsetting inflation. The money purchase component is usually fully portable.

**Defined Benefit:** employee contributions are a fixed percentage of salary but employer contributions vary according to actuarial projections of the pension fund. At retirement, the employee receives an annual benefit based on the product of a specified percentage time years of credited service times a specified average salary (usually the average of the best five years' earnings). Most plans are indexed to a maximum 2-3% and are certainly less than fully portable.

2) **Pension Benefits:**

**Variable Annuity:** an annuity which remains constant during any specified pension year but varies from year-to year depending on the investment performance during the preceding year of that portion of the pension fund relating to retired members.

**Fixed Annuity:** an annuity which remains constant both during any one year and from year-to-year.

**Life Only:** benefit which is payable until death at which time payments cease.

**Life Guaranteed 60 Months:** a pension benefit which is payable for life but guaranteed 60 months in any event. The benefits may also be guaranteed for 120 or 180 months but the monthly pension payments are usually reduced accordingly.

**Joint and Last Survivorship:** a pension benefit which is payable for the member's lifetime then continues to his/her beneficiary for the remainder of that person's lifetime. The monthly pension payments are usually somewhat less than those of the life only or life guaranteed benefits.

3) **Abbreviations:**

**ABYE:** Average Best Years' Earnings found by calculating the average salary over the best five years' earnings, or over the best five of the last ten years' earnings, or over the best five consecutive years' earnings.

| | |
|---|---|
| YMPE: | Year's Maximum Pensionable Earnings as established each year by the Canada Pension Plan (CPP). For 1987, the YMPE was 25,900. |
| Avg YMPE: | Average YMPE calculated as an average of the YMPE values for those same years used to calculate the ABYE. |
| EX: | The excess of ABYE over YMPE or avg YMPE. |
| YS: | Years of credited service. |
| CPP Benefit: | Annual retirement benefits equal to 25% of the average of the previous 3 years maximum pensionable earnings'. For a member who earned at least the amount of the YMPE for each year contributions were made to the CPP, the CPP benefit for a member retiring in 1987 would be $6,258.24. |

4) Fund Performance:

Rates of return on investment for different pension plans should not be directly compared since methods of calculating rates of return are many and varied. Unless the method is known, fund performance values of different plans cannot be meaningfully compared.

5) Model Pension Calculations:

In calculating the minimum guaranteed annual pension of the annual pension provided by the defined benefit formula, the following assumptions were used:

i) ABYE = $50,000
ii) YS = 35 years
iii) YMPE = $25,900

## BROCK UNIVERSITY

**Type of Plan:** money purchase with minimum guarantee

**Eligibility:** all full-time academic and non-academic staff; optional for 1 year or to age 30 and then compulsory

**Member Contributions:** 6% of regular earnings less CPP contribution

**University Contributions:** amount necessary to provide the retirement benefits accruing to members; as of July 1, 1983, 126% of member contributions

**Benefits:**

1) **on Normal Retirement:** (age 65) a variable annuity purchased by the (age 65) vested amount in the money purchase fund at retirement subject to the minimum guarantee; (1.7% x ABYE x YS) - (CPP benefit x 1/35 x YS after 01.01.66, max. 35 yrs.) ABYE calculated over those five years of highest earnings.

**Indexing:** maximum 2% per annum cumulative (applicable to the minimum guarantee only). Variable annuity varies in accordance with fund performance.

**Standard Options:** the annuity is normally a life annuity guaranteed 60 months but may optionally be:

i) life only
ii) life guaranteed 120 months
iii) joint and last survivorship

other options are available

2) **on Early Retirement:** (age 55) member's choice of either a deferred variable annuity, commencing at normal retirement, or a variable life annuity, commencing at early retirement, both subject to the minimum guarantee. Benefits paid early under the minimum guarantee are actuarially reduced.

3) **on Termination:** member's option of (subject to pension laws):

i) a deferred annuity payable at normal retirement
ii) transfer of money purchase account to registered pension fund of new employer or rrsp.
iii) refund of member contributions and interest subject to 45 and 10 rule.

4) **on Death:**

**Before retirement:** beneficiary has option of:

i) payment of member's money purchase account and interest to beneficiary, or
ii) if beneficiary is spouse or dependent children, a pension to be the greater of 50% of member's accrued pension or 10% of average best five years' earnings can be opted for.

**After retirement:** the benefit entitlement to beneficiary as determined by the option elected.

**Model Pension Calculation:** minimum annual guaranteed pension:
(1.7% x $50,000 x 35) - ($5,833.32 x 1/35 x 20 11/12)
= $29,750 - $3,485
= $26,265

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Canada Trust |
| Pension Committee: Composition: | the Vice-President, Administration and Director of Personnel Services as ex-officio and five members appointed by the Board of Trustees, at least four of whom shall be members of the pension plan. |
| Responsibility: | to provide an ongoing review of the design of the pension plan and to review the investment performance of the trust fund. |
| Status: Unfunded liability: | N/A |

Fund performance: rate of return on investments based on market value:

| | | | |
|---|---|---|---|
| 1986-87 | 11.6% | | |
| 1985/86 | 24.0% | 1979-80 | 11.8% |
| 1984/85 | 27.4% | 1978-79 | 17.3% |
| 1983-84 | -3.8% | 1977-78 | 7.6% |
| 1982-83 | 38.4% | 1976-77 | 10.8% |
| 1981-82 | -1.0% | 1975-76 | 6.1% |
| 1980-81 | 13.5% | 1974-75 | 9.7% |

Actuarial assumptions in the fund projection:

- Interest 4.5% per annum
- Salary Scale 2.5% per annum
- C.P.P. YMPE increasing at 1% per annum
- 1949 Annuity table

Experience deficiency: N/A

Reciprocal agreements: Reciprocal agreements exist with the Public Service Superannuation, Teachers' Superannuation, and the Government Pensions Board of Alberta.

## CARLETON UNIVERSITY

**Type of Plan:** money purchase with minimum guarantee

**Eligibility:** all continuing full-time and part-time academic and non-academic staff, also full-time and part-time term appointments of 12 months or more; eligible but not compulsory until age 30

**Member Contributions:** 6% of regular earnings less CPP contributions (CPP offset frozen at 1.8%)

**University Contributions:** at least 8.4% of member's regular earnings less C.P.P. contribution (currently 8.4%). (CPP offset frozen at 1.8%)

**Benefits:**

1) **on Normal Retirement:** (age 65) annuity purchased by the vested amount the money purchase fund at retirement subject to the minimum guarantee: (2% x ABYE x YS) - (CPP benefit x 1/35 x YS to maximum 35 years). ABYE is calculated over those six years of highest earnings.

**Indexing:** 4 year average rate of investment earnings on the fund less 6% but in no event does pension decrease.

**Standard Options:** the annuity is normally payable for life only but may optionally be:
- i) life guaranteed 60 months or 120 months or 180 months
- ii) joint and last survivorship
- iii) combination of above

2) **on Early Retirement:** (age 55) an actuarially reduced annuity commencing at early retirement. The minimum guarantee is actuarially reduced approximately 5% for each year early retirement precedes normal retirement.

3) **on Termination:** member's option of (subject to pension laws):
- i) deferred annuity
- ii) transfer of money purchase account to registered pension fund of new employer or to a locked rrsp
- iii) refund of member contributions plus interest to date of refund
- iv) immediate life annuity purchased from an Insurance Company

4) **on Death:**

**Before retirement:** beneficiary has option of receiving member's money purchase account as a lump sum, or if spouse, as a life annuity.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments

**Model Pension Calculation:** minimum guaranteed annual pension:
(2% x $50,000 x 35) - ($6,258 x 1/35 x 35)
= $35,000 - 6,258
= $28,742

| | |
|---|---|
| Trustee: | Guaranty Trust |
| Investment Manager: | Toronto Investment management, Inc. |
| Pension Committee: Composition: | Two administrative members, ex-officio, two members appointed by Academic Union, one member appointed by Support Staff Union, one member elected by and representing four smaller unions and one member elected by and representing non-union staff. |
| Responsibility: | Responsible for reviewing the performance of the Trust Fund and oversees the administration of the Plan, including the interpretation and application of the provisions of the Plan together with eligibility, service, earnings and retirement dates of members. |
| Status: | |
| Fund performance: | rates of return on investments made by the fund:<br>1973-74 = -3.24% 1974-75 = 9.70% 1975-76 = 9.63%<br>1976-77 = 9.77% 1977-78 = 10.84% 1978-79 = 21.07%<br>1979-80 = 14.16% 1980-81 = 10.37% 1981-82 = -4.42%<br>1982-83 = 38.32% 1983-84 = 2.45% 1984-85 = 26.63%<br>1985-86 = 21.15% 1986-87 = 13.40% |
| Unfunded Liability: | NONE |
| Experience Deficiency: | NONE |
| Actuarial Evaluation Date: | Last actuarial evaluation - July 1, 1986. |
| Actuarial assumptions in the fund projection: | given the current rate of employee/employer contributions, assumptions made by the actuary in projecting the fund's solvency are: rate of salary increase = 5%, rate of return on investments = 6%. |
| Indexing (actual): | variable, depending on investment performance |
| Portability: | A member may arrange for the deposit to the plan of any amount available for transfer from a former employer's pension plan. The period of credited service with another employer is calculated by the University upon advice of the Actuary such that the additional actuarial liability of the Plan is equal to the transfer amount. |
| Anticipated changes: | NONE |
| Reciprocal Agreements: | Reciprocal agreements exist with the Ontario Public Service Superannuation Branch, the Federal Government and The Ontario Teachers Superannuation Commission. |

## UNIVERSITY OF GUELPH

**Type of Plan:** defined benefit

**Eligibility:** all full-time faculty and staff except those under age 21 or over age 64; optional to age 30.

**Member Contributions:** 6.5% of regular earnings less CPP contributions for faculty & professional
6.25% of regular earnings less CPP contributions for support staff

**University Contributions:** amount necessary to provide the retirement benefits accruing to members.

**Benefits:**

1) **on Normal Retirement:** (age 65) the annual pension provided by the formula: [(1.4% x avg YMPE) + (2.0% x EX)] x all years of service. ABYE, used in finding EX, is calculated over the best 60 consecutive months of earnings (avg YMPE = moving 60 month average of YMPE)

**Indexing:** Effective October 1, 1985, future annual adjustments for inflation up to the increase in the C.P.I. in excess of 3% during the preceding 12 month period will be permitted, provided cumulative excess investment earnings exist defined as a positive balance in a Pensions Adjustment Account.

**Standard Options:** the benefit is normally payable for life, but guaranteed 60 months in any event, although the following options are available:
i) life guaranteed 120 or 180 months
ii) joint and last survivorship at 50%,60%,75% or 100% of employee's pension

2) **on Early Retirement:** (age 55) the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.5% for each month early retirement precedes normal retirement
full or non-discounted pension for all employees who attain age 60 and 35 years service

3) **on Termination:** member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement based on service and earnings to resignation
ii) transfer of twice member's contribution plus interest to registered fund of new employer or to an approved RRSP
iii) refund of member contributions and interest

4) **on Death:**

**Before retirement:** beneficiary receives member's contributions plus interest, as a lump sum.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of pension payments

**Model Pension Calculation:**

| Faculty & Retirement | | Non-Pro | |
|---|---|---|---|
| 1.4% x 22,723 x 35 = | 11,134.27 | 1.16% x 22,723 x 35 = | 9,225.53 |
| + 20% x 27,277 x 35 = | 19,093.90 | +1.67% x 27,277 x 35 = | 15,943.40 |
| | 30,228.17 | | 25,168.93 |

| | |
|---|---|
| Trustee: | Canada Trust Master Trust |
| Investment Manager: | M.K. Wong; Knight, Bain, Seath, Holbrook; McLean Budden |
| Pension Committee: Composition: | 10 members of Board of Governors plus 4 University employees representing 3 pension plans. |
| Responsibility: | Responsible for the investment policy, investment performance, and overall administration of pensions & benefits. |
| Status: Unfunded liability: | NIL |
| Fund performance: | 4 year moving average 1986 - 18.0<br>1985 - 15.35<br>1984 - 11.95<br>1983 - 15.0<br>1982 - 13.0<br>1981 - 15.2<br>1980 - 14.5<br>1979 - 15.6<br>1978 - 15.2<br>1977 - 9.0 |
| Actuarial Evaluation Date: | evaluated annually, last one September 30, 1986 |
| Reciprocal Agreements: | public service - federal and provincial Ontario Secondary School Teachers, Province of Alberta, McGill University, University of Toronto |
| Actuarial assumptions in the fund projection: | 7% investment income<br>6% salary increases + merit/promotion |
| Indexing (actual): | on 1 January 1974, 2% for each year member had been on pension to that date, and on 1 January 1976, 15% to each member on pension, for the period 1 January 1974 to 31 December 1975, and on September 1, 1979 2%, for each year from January 1, 1976, on September 1, 1980 3% per annum, and September 1, 1981 5% per annum. September 1, 1982 3%, September 1, 1983 3% per annum, September 1, 1984 2.5%, September 1, 1985 1.9%. September 1, 1986 1.1%. |
| Portability: | pension credits, that is, both member and university contributions plus interest, are transferable to another registered pension fund but a number of years of service, used to calculate the defined benefit, would probably be lost in the transfer. |
| Anticipated changes: | none at present. |
| Cap | a 35 year cap on the years of Service. |

## LAKEHEAD UNIVERSITY

**Type of Plan:** defined benefit

**Eligibility:** all full-time academic and senior support staff; compulsory from date of appointment

**Member Contributions:** 6 1/2% of regular earnings less CPP contributions

**University Contributions:** an amount equal to the members' required contributions, and any additional amounts recommended by actuary, as of January 1, 1987, 107% of member contributions.

**Benefits:**

1) **on Normal Retirement:** (age 65)
the annual pension provided by the formula:
[(1.2% x avg YMPE) + (1.75% x EX)] x YS.
ABYE, used in finding EX, is calculated over those 60 consecutive months of highest earnings.

**Indexing:** maximum 2% per annum

**Standard Options:** the benefit is normally payable for life, but guaranteed 120 months in any event (with provisions for spouse and dependents pension benefits), although the following options are available:
i) life only
ii) joint and last survivorship

2) **on Early Retirement:** (age 55)
the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.5% for each month early retirement precedes normal retirement

3) **on Termination:**
member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement based on service and earnings to resignation
ii) transfer of member's contributions plus a vested portion of university contributions to registered pension fund of new employer or RRSP (subject to certain conditions)
iii) refund of member contributions and interest

4) **on Death:**
**Before retirement:** beneficiary has option of receiving member's contributions plus interest, as a lump sum or in installment payments

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of pension payments

**Model Pension Calculation:**
annual pension provided by the formula:
assuming avg. salary $50,000, 35 yrs of service and average Y.M.P.E. of $22,880 (over last 5 years)
[(1.2% x 22,880) + (1.75% x 27,120)] x 35
= $26,221

| | |
|---|---|
| Trustee: | Royal Trust |
| Investment Manager: | Sceptre Investment Counsel Ltd. |
| Pension Committee: Composition: | Vice-President (Administration) (Chairman); Director of Personnel; two representatives selected by faculty; one non-faculty representative. |
| Responsibility: | (a) to provide an ongoing review of the design of the pension plan and of other insurance benefits plans for professional staff<br>(b) to review alternative terms for the pension plan and for other insured benefits plans and to suggest possible changes in those plans for consideration by the Staff Relations Committee of the Board of Governors and by plan members.<br>(c) to review triennial Actuarial Valuations of the pension plan and other performance reports and to suggest possible changes in investment strategy for consideration by the Investment Committee of the Board of Governors. |
| Status: Unfunded liability: | NIL |
| Fund performance: | total fund annual results (at market), net of expenses<br>1986 - 15.32<br>1985 - 26.24<br>1984 - 12.40<br>1983 - 19.12<br>1982 - 19.83 |
| Actuarial Evaluation Date: | January 1, 1987 |
| Actuarial assumptions in the fund projection: | rate of salary increase 6% compound per annum; fund yield 7% compound per annum; 1983 Group Annuity Table used to represent the mortality of members both before and after retirement, set-back 1 year for males and 7 years for females; the YMPE to increase at 5% per annum. Assets are valued on a 4 year averaging method and liabilities on the unit credit cost method. |
| Indexing: | plan provides for indexing the C.P.I. of 2% per annum. Adjustments above this are done on an ad hoc basis depending on the ability of the plan to absorb increases and the priorities that exist at any given time. |
| Portability: | transfer provisions provide for the transfer of pension contributions (vested on a 5 year schedule) to the pension plan of a subsequent employer, or to an R.R.S.P. with restrictions. Alternatively, an employee may elect to receive a cash refund of his contributions plus credited interest to date of termination, with restrictions. |
| Anticipated changes: | Major review is underway which is expected to lead to significant improvements in benefits, or change to a money purchase plan. |
| Reciprocal Agreements: | Federal Government<br>Province of New Brunswick |

## LAURENTIAN UNIVERSITY/UNIVERSITE LAURENTIENNE

**Type of Plan:** money purchase plan with minimum guarantee

**Eligibility:** all full-time academic and non-academic staff except those under age 25 must have 12 months' service; compulsory at age 30.

**Member Contributions:** 3.2% of plan earnings up to YMPE and 5% of plan earnings in excess of YMPE.

**University Contributions:** 6.7% of plan earnings up to YMPE and 8.5% of plan earnings in excess of YMPE. (1 1/2% of amount stated in the contribution required to the minimum guarantee fund which was temporarily suspended as of July 1/85)

**Benefits:**

1) **on Normal Retirement:** (age 65) an annuity purchased by the vested amount in the money purchase fund at retirement subject to the minimum guarantee: [(1.05% x YMPE) + (1.75% x EX)] x (YS after 30.06.75)] + [(.75 of 1% x YMPE) + (1.75% x EX)] x [(YS between 01.07.66 and 30.06.75)] + [(1.5% x ABYE x YS before 01.07.66)]. ABYE, also used in finding EX, is calculated over those five years of highest earnings.

**Indexing:** once a year after they have started at the lesser of 3% per year or the rate at which the Consumer Price Index is increasing

**Standard Options:** the form of annuity is usually chosen by the member from amongst the following options:
i) life guaranteed 60, 120 or 180 months
ii) joint and last survivorship

2) **on Early Retirement:** (age 55) the annuity and, subsequently, the minimum guarantee are actuarially reduced

3) **on Termination:** member's option of (subject to pension laws):
i) a deferred annuity payable at retirement
ii) transfer of money purchase account to registered pension fund of new employer or to an RRSP.
iii) refund of member's contributions and interest if member is less than age 30 or has not contributed to plan for at least 13 months

4) **on Death:**

**Before retirement:**
a) refund of the total amount of his Money Purchase Account including the University's contributions.
b) if a married person who joined the plan before July 1, 1975 dies in service before normal retirement date but after completing at least five years of membership of the plan and prior plan, a pension equal to one-half of the accrued pension of the member at the date of his death shall be payable to his widow until her death and thereafter in equal shares to such surviving children as shall be under age 18 at the date of payment of the benefit.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments

**Model Pension Calculation:**

minimum guaranteed annual pension

| | | |
|---|---|---|
| (Sept. 62 - June 66) | | (1.5% x 50,000 x 4) |
| (July 66 - June 75) | + | (0.75% x 25,900) + (1.75% x 24,100) x 9 |
| (July 75 - June 97) | + | (1.05% x 25,900) + (1.75% x 24,100) x 22 |
| | | $3,000.00 + $5,544.00 + $15,261.40 |
| | = | $23,805.40 |

| | |
|---|---|
| Trustee: | Montreal Trust |
| Investment Manager: | Ruggles & Crysdale, Inc. |
| Pension Committee: Composition: | 3 representatives appointed by the Board of Governors, 3 representatives appointed by the Laurentian University Faculty Association and 2 representatives appointed from other employee groups. |
| Responsibility: | to recommend changes to plan |
| Status: | |
| Unfunded liability: | NIL |
| Experience Deficiency: | NIL |
| Actuarial Evaluation Date: | July 1, 1987 |
| Actuarial assumptions in the fund projection: | - salary 6% + seniority<br>- rate of return 7%<br>- mortality according to the 1983 Group Annuity Mortality Table |
| Indexing: | once yearly at the lessor of 3% or the rate at which the C.P.I. is increasing |
| Portability: | transfer to another employer or R.R.S.P. |
| Changes: | Under the Money Purchase component a male annuity is purchased for females at retirement. |
| Reciprocal Agreements: | Teacher's Superannuation Commission |

## MCMASTER UNIVERSITY

**Type of Plan:** defined benefit

**Eligibility:** all full-time and regular part-time academic and non-academic staff; compulsory on July 1 following 6 months employment

**Member Contributions:** 3.5% of regular earnings up to YMPE and 5% of regular earnings in excess of YMPE

**University Contributions:** at least an amount equal to the member's required contributions, currently 200% of aggregate member contributions

**Benefits:**

1) **on Normal Retirement:** (age 65)
the annual pension provided by the formula:
[(1.4% x AYMPE) + (2.0% x EX)] x YS
EX = ABYE - YMPE where ABYE is calculated over those five years of highest earnings and AYMPE = Average of YMPE over the year of retirement and the two years immediately preceding retirement.

**Indexing:** Formal indexing scheme. Pensioner reserve indexing using excess earnings approach. Increase will be the excess of the income earned in the fixed income portion of the fund over 4.5% or the Consumer Price Index increase for the year, whichever is less.

**Standard Options:** the benefit is normally payable for life, guaranteed five years and thereafter in the amount of 50% to surviving joint annuitant
- options: guaranteed 5 years; guaranteed 10 years; 51-100% joint survivor or joint and last survivor.

2) **on Early Retirement:** (age 55)
the annual pension as provided by the formula but based on service and earnings to early retirement and reduced by 1/2 of 1% for each month early retirement date precedes normal retirement date.
Unreduced benefit when age plus years of service after joining plan $\geq$ 80.

3) **on Termination:**
member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement
ii) transfer of twice member's contributions, plus interest, to registered pension fund of new employer, R.R.S.P. (locked-in)
iii) refund of member contributions and interest

4) **on Death:**

**Before retirement:** beneficiary receives member's contributions plus interest as a lump sum

**After retirement:**
i) married: spouse receives 50% of member's pension until death or remarriage
ii) married: joint and last survivor, one amount paid while both retiree and spouse are alive.
ii) not married: beneficiary receives remainder, if any, of guaranteed 60 monthly payments

**Model Pension Calculation:**
Based on best 5 year average salary of $50,000 with 35 years service immediately prior to retirement at age 65.
Average YMPE = 25,033.33

| | |
|---|---|
| 1.4% x 25,033.33 x 35 | $12,266.33 |
| + 2.0% x (50,000 - 25,033.33) x 35 | $17,476.67 |
| Total Pension Payable $29,743 | $29,743.00 |

**Trustee:** Canada Trust

**Investment Manager:** Jarislowsky, Fraser & Co., Mucana.

**Pension Committee:**
**Composition:** two faculty members, two support staff members, two professional/management members and four members representing the Finance Committee of the Board of Governors. All appointments are made by the President. In the case of faculty and staff members, respective associations recommend individuals to the President.

**Responsibility:** advisory only to the Finance Committee of the Board of Governors

**Status:**
**Unfunded liability:** NIL

**Experience deficiency:** NIL

**Fund performance:** rate of return on investments made by the fund:
based on book value: (including realized gains or losses)

| | | |
|---|---|---|
| 1970-71 = 6.1% | 1971-72 = 7.4% | 1972-73 = 7.01% |
| 1973-74 = 7.5% | 1974-75 = 7.18% | 1975-76 = 4.61% |
| 1976-77 = 6.66% | 1977-78 = 7.16% | 1978-79 = 10.78% |
| 1979-80 = 13.94% | 1980-81 = 13.43% | 1981-82 = 6.97% |
| 1982-83 = 11.04% | 1983-84 = 13.42% | 1984-85 = 11.81% |
| 1985-86 = 12.17% | 1986-87 = 11.84% | |

**Actuarial Evaluation Date:** obtained annually on July 1
filed triennially (last filing July 1, 1987)

**Reciprocal Agreements:** Federal Government, Province of Ontario, Secondary School Teachers Federation, Province of Alberta

**Actuarial assumptions in the fund projection:** rate of salary increase = 5.5%
rate of return on investments = 6 1/2% pre-retirement
4.5% post-retirement

**Indexing (actual):** Maximum increase each July equal to the annual rate of increase in the C.P.I. or the excess of interest earnings on the fixed income portion of fund over the actuarially assumed rate of return; whichever is less.

Actual Increases

| | | |
|---|---|---|
| 1977 - 5.8% | 1981 - 6.4% | 1985 - 4.4% |
| 1978 - 5.9% | 1982 - 9.1% | 1986 - 4.0% |
| 1979 - 4.7% | 1983 -10.7% | 1987 - 4.2% |
| 1980 - 5.6% | 1984 - 5.8% | |

**Portability:** maximum amount transferable equal twice members' contributions plus interest (locked-in).

**Anticipated changes:** Under Review to comply with new Pension Benefits Act

## ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

**Type of Plan:** defined benefit with minimum money purchase provision

**Eligibility:** for all full-time faculty, professional general support staff and academic support - compulsory after age 25. For part-time - one time option on hiring.

**Contributions:** 6% of regular earnings less CPP contributions

**OISE Contributions:** At least amount equal to employee contributions. Currently 125%.

**Benefits:**

1) **on Normal Retirement:** (age 65) annual Pension provided by the formula: 1.5% of best average earnings up to CPP earnings ceiling at date of retirement, plus 2% of best average earnings over CPP ceiling multiplied by years of plan membership to a maximum of 35 years.

**Indexing:** All service to December 31, 1985 indexed at 60% of CPI to a max. of 8%.

**Standard Options:** benefit normally payable for life but guaranteed for 60 months with other available options:
a) reduced pension guaranteed for 120 months
b) life only
c) joint and last survivorship

2) **on Early Retirement:** (age 55 - 65) A member who retires in accordance with Clause 4.1 shall be entitled to receive a reduced pension which will be the Actuarial Equivalent of the annual pension calculated in the manner of Clauses 3.2 and 3.3, but commencing on the Early Retirement Date.

3) **on Termination:** member's option of (subject to pension laws):
i) deferred annuity payable at normal retirement based on service and earnings to resignation.
ii) 25% of surrender value of such deferred annuity in cash.
iii) transfer of member contributions plus a vested portion of employer contributions to RRSP or to a registered fund of new employer (subject to certain conditions).
iv) refund of member contributions and interest.

4) **on Death:**

**Before retirement:** contributions with interest (or commuted value of pension earned if greater) are payable to beneficiary in a single lump sum payment.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of pension payments.

**Model Pension Calculation:** annual pension provided by the formula: assuming best 3 year average earnings are $50,000 with 35 years pensionable service and CPP ceiling is set at $23,400

= 1.5 x 23,400 x 35 years = $12,285
2% x 26,600 x 35 years = $18,620
Yearly Income from plan = $30,905

| | |
|---|---|
| Trustee: | Royal Trust |
| Investment Manager: | Gryphon Investment Counsel Inc. |
| Pension Committee: Composition: | Representatives from Board of Governors and Staff Associations. |
| Responsibility: | to review the plan and recommend changes |
| Status: | |
| Unfunded liability: | Nil |
| Experience Deficiency: | Nil |
| Fund performance: | rate of return last 5 years<br>1979 = 24.97% 1980 = 22.35% 1985 = 21.91<br>1981 = -2.29% 1982 = 19.05% 1986 = 12.31<br>1983 = 21.21% 1984 = 5.12% |
| Actuarial Evaluation Date: | December 31, 1985 |
| Actuarial assumptions in the fund projection: | rate of salary increase 6% compounded per annum; fund yield 7%; 1983 group annuity table used to represent the mortality of members both before and after retirement; the YMPE to increase 5.5% per annum. |
| Indexing: | 6.0% of CPI to max. of 8% for all service prior to December 31, 1985 |
| Portability: | N/A |
| Reciprocal Agreements: | Ontario Public Service Superannuation Board<br>Universities Academic Pension Boards - Alberta<br>Colleges of Applied Arts and Technology, OMCRS |

## UNIVERSITE D'OTTAWA/UNIVERSITY OF OTTAWA

**Type of Plan:** defined benefit

**Eligibility:** all full-time academic and non-academic staff; compulsory at age 30

**Member Contributions:** 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE

**University Contributions:** an amount necessary to provide all of the benefits accruing to members; as of December 31, 1987, 8.60% of member's regular salary

**Benefits:**

1) **on Normal Retirement:** (age 65)

the annual pension provided by the formula:
(2% x ABYE x YS before 01.01.66) + (1.3% x YMPE) + (2.0% x EX) x YS after 01.01.66. ABYE calculated over those five years of highest earnings.

**Indexing:** guaranteed 2% per annum + application of "excess interest principle" on a yearly basis as per Board of Governors's approal.

**Standard Options:** the benefit is normally payable for life, but guaranteed 60 months in any event, although the following options are available.

i) life only
ii) life guaranteed 120 or 180 months

2) **on Early Retirement:** the annual pension as provided by the formula but based on service and earnings to early retirement and actuarially reduced by approximately 4% for each year early retirement precedes the normal retirement date.

3) **on Termination:** member's option of (subject to pension laws):

i) a deferred pension payable at normal retirement based on service and earnings to resignation
ii) transfer of twice member's contributions, plus interest, to registered pension fund of new employer or to an RRSP
iii) refund of member contributions and interest if under age 40 or a member of the plan for less than five years.
iv) transfer of member's valued benefit prior to reaching 55.

4) **on Death:**

**Before retirement:** Effective January 1, 1988, beneficiary receives the commuted value of the fund.

**After retirement:** spouse or dependents guaranteed member's full pension up to 60 months from retirement and 60% of member's pension after the 60 month period. If no spouse, benefits to beneficiary are determined by guaranteed period of payments

**Model Pension Calculation:**

based on an average salary of $50,000

Data a) Participation: 35 years (01.07.52 to 30.06.87) b) Average salary: $50,000 c) Y.M.P.E. (1987): Average of last five years. $21940

Calculation

service prior to January 1, 1966

$$\$50{,}000 \times 2\% \times \frac{4929}{365} \qquad \$13{,}504.11$$

service from January 1, 1966

$$\$21{,}940 \times 1.3\% \times \frac{7446}{365} \qquad \$6{,}131.06$$

$$\$28{,}060 \times \frac{2}{100} \times \frac{7846}{365} \qquad \$12{,}063.49$$

$$\$31{,}698.66$$

| | |
|---|---|
| Trustee: | Royal Trust |
| Investment Manager: | Jarislowski Fraser 60%<br>Sceptre Investment Council 40% |
| Pension Committee:<br>Composition: | The Committee includes the following members:<br>a) two members of the Board of Governors appointed by the Board; b) a member appointed by the Board of Governors to serve as Chairman of the Committee; c) the Director of Human Resources; d) two members of the Pension Plan appointed by the Association of Professor of the University of Ottawa; e) two members of the Pension Plan and of the teaching staff other than the above-mentioned, appointed by the Senate; f) four members of the Pension Plan and of the support staff; f) four members of the Pension Plan and of the support staff:<br>- one person appointed from nominations received from the committee representing management and professional employees;<br>- one person appointed from nominations received from the committee representing clerks and secretaries;<br>- one person appointed from nominations received from the committee representing technicians;<br>- one person appointed from nominations received from the Library employees. |
| Responsibility: | advise, change by-law recommend plan changes |
| Status:<br>Unfunded liability: | N/A |
| Experience Deficiency: | N/A |
| Actuarial Evaluation Date: | January 1, 1987 |
| Actuarial assumptions in the fund projection: | based on 5% salary increases and with a 6% return investment on the fund. |
| Indexing: | increase up to a guaranteed 2% per annum + application of "excess interest principle". |
| Portability: | amount required by the recipient plan or twice the member's required contributions, whichever is less. |
| Anticipated changes: | |
| Reciprocal Agreements: | Federal Government, O.M.E.R.S. Ontario Teacher's Superannuation Commission, Central Mortgage and Housing Corporation, Government of Quebec, University of Montreal, University of Quebec, Laval University. |

## QUEEN'S UNIVERSITY

**Type of Plan:** money purchase with a minimum guarantee

**Eligibility:** all full-time and continuing part-time academic and support staff, compulsory for full time staff at age 30.

**Member Contributions:** 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE

**University Contributions:** matching member contributions plus 1.5%

**Benefits:**

1) **on Normal Retirement:** (age 65)

A single pension is established at retirement equal to the greater of that produced by the Money Purchase balance at retirement or the Minimum Guarantee. This pension is adjusted each year by a formula based on the 4 year moving average of fund earnings with no ceiling. Pensions are never reduced regardless of performance. At the time of retirement, the Money Purchase component is converted into pension using the same factor for men and women.

**Standard Options:** The quoted annuity is a life guarantee 5 years. Other available options include:

(i) Life only guaranteed 10 or 15 years.
(ii) Joint and last survivorship at various % levels and can include guarantees.

2) **on Early Retirement:** (any age)

Member's choice of either a deferred pension commencing at any time up to normal retirement, or pension commencing at date of early retirement. The pension is established using the method described under Normal Retirement. Minimum guarantee benefits are reduced by 1/2 of 1% for each month prior to normal retiremkent. Special early retirement program to be available.

3) **on Termination:**

Members's option of (subject to pension laws):

(i) Deferred pension payable at normal retirement.
(ii) Locked-in transfer of money purchase account to registered pension fund of new employer or RRSP.
(iii) Refund of member's contributions and interest.

4) **on Death:**

**Before retirement:**

i) no spouse: payment of twice member's required contributions plus interest to beneficiary
ii) surviving spouse has option of:
  a) lump sum payment as above
  b) variable pension purchased by this lump sum from the plan
  c) fixed annuity purchased by this lump sum

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments

**Model Pension Calculation:** (1.35% x $23,975) + (1.80 x $26,025) x 35 = $27,724
Virtually all staff are currently retiring with a money purchase pension which in most cases is considerably higher than the minimum guaranteed formula pension.

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Jarislowsky, Fraser & Co. |
| Pension Committee: Composition: | two faculty members and two support staff members appointments by Principal and two members representing the administration (V.P. Resources and Director of Staff Benefits ) and two members from Board of Trustees plus two retiree representatives. |
| Responsibility: | responsible for investment policy decisions (e.g., proportion of fund investment in equities), selection of investment manager and plan policy. |
| Status: | |
| Unfunded liability: | NIL |
| Fund performance: | rates of return on investments made by the fund. |

| | | |
|---|---|---|
| 1970-71 = 12.3% | 1971-72 = 14.6% | 1972-73 = 0.06% |
| 1973-74 =-15.9% | 1974-75 = 17.6% | 1975-76 = 8.6% |
| 1976-77 = 10.7% | 1977-78 = 17.6% | 1978-79 = 16.7% |
| 1979-80 = 14.6% | 1980-81 = 5.8% | 1981-82 = 12.2% |
| 1982-83 = 30.2% | 1983-84 = 11.3% | 1984-85 = 26.5% |
| 1985-86 = 24.2% | 1986-87 = 12.85% | |

| | |
|---|---|
| Actuarial Evaluation Date: | August 31, 1986 |
| Actuarial assumptions in the fund projection: | Salary increase = 5%, real rate of return on investments after inflation = 3%, rate of mortality as in the annuity tables for 1983. |
| Indexing (actual): | Based on fund performance using a four year moving average. Average pensioner increase of 12.5% over past 5 years. |
| Portability: | money purchase component is transferable on a locked in basis to another registered pension plan or to RRSP. Plan includes portability clause for a transfer in. |
| Reciprocal Agreements: | Reciprocal Agreements with Public Service, Ontario Provincial Government and Ontario Teachers Superannuation |

## RYERSON

| | |
|---|---|
| **Type of Plan:** | defined benefit |
| **Eligibility:** | Compulsory for full-time faculty (other than those contributing to T.S.F.) and administrative and academic support staff on date of appointment. |
| **Member Contributions:** | 6% of salary in total to both Ryerson Plan and C.P.P. (+1% to superannuation adjustment benefit plan (S.A.B.A.) from 1/8/77). |
| **Employer Contributions:** | 6% of salary in total to both Ryerson Plan and C.P.P. (+1% to S.A.B.A. from 1/8/77). |
| **Benefits:** | |
| 1) on Normal Retirement: (age 65) | the annual pension provided by the formula. YS x 2% x average salary for best consecutive 60 months, less .7% of Y.M.P.E. x YS since January 1, 1966. |
| **Indexing:** | from 1/8/77 all employees covered by S.A.B.A. Those who retired prior to 1/1/76 receive adjustable pension supplement. |
| **Standard Options:** | pension benefit payable for life. |
| 2) on Early Retirement: (age 55) | a) a member who has completed 10 years of service and who elects to retire after the age of 55 years shall be entitled to an early retirement pension commencing on the first day of the next month following the month in which he retires. Pension is reduced by 5% for each year early retirement precedes normal retirement.<br><br>b) a member has attained the age of 60; and has credited service of 20 or more years is entitled to a pension without any age reduction factor.<br><br>c) a member has credit in the fund for a number of years and months of service that, when added to his exact age, totals at least ninety years is entitled to a pension without any age reduction factor. |
| 3) on Termination: | members option of (subject to pension laws) i) before member has completed 10 years of service, the contributions made by the member shall be refunded to him with interest; or contributions plus interest may be transferred to an R.R.S.P. ii) after 10 years service member may elect a deferred pension payable at normal retirement based on service and earnings at date of resignation. |

4) on Death:

Before retirement:

i) where a member who is not in receipt of a pension dies,
  a) before he has attained the age of 65 years and before he has completed 10 years of service, or
  b) leave no dependent
the contributions made by the member shall be refunded with interest to his estate.

ii) where a member dies after completion of 10 years of service or has attained the age of 65 years, a pension shall be payable to,
  a) the spouse until his or her death or remarriage and thereafter to such of the deceased member's children under the age of 18 years, or
  b) children, then under the age of 18 years if the deceased member does not leave a spouse who is entitled to a pension

After retirement:

50% of the member's pension is paid to the widow until death or remarriage and in any event until the youngest child reaches age 18. Spouses pension is reduced by 2 1/2% for each whole year that the spouses age is more than 10 years less than the member's age.

Model Pension Calculation:

assume average salary for best 60 consecutive months is $50,000 with 35 years credited service to December 31, 1986.

$$35 \times \frac{2}{100} \times 50{,}000 = \$35{,}000.00$$

(Less C.P.P. reduction factor, YS from January 1, 1966 to December 31, 1987 - 22 years (YMPE 1986 - 25,900)

$$22 \times \frac{0.7}{100} \times 25{,}900 = \$3{,}988.60$$

Therefore pension would be:
= $35,000.00 - 3,988.60
= $31,011.40

**Trustee:** Ontario Municipal Employees Retirement Board

**Investment Manager:** N/A

**Pension Committee:**
**Composition:** N/A

**Responsibility:**

**Status:**
**Unfunded liability:** $5,561,800 surplus

**Experience Deficiency:** N/A

**Fund performance:** N/A

**Actuarial Evaluation Date:** January 1, 1987

**Actuarial assumptions in the fund projection:**

Retirement age 65 factors 80 - 90; mortality table - Wyatt,
Age of Wives - 3 yrs younger than husband; married members 85%;

- o loading for expenses 1% of future contr. income
- o interest rate 7%
- o salary increase 6%
- o increase in YMPE 5% per year
- o valuation method - unit credit
- o withdrawal rates

| Age | M | F |
|---|---|---|
| 25 | .149 | .299 |
| 35 | .074 | .139 |
| 45 | .027 | .058 |
| 55 | NIL | .014 |

**Indexing (actual):** CPI up to max of 8%

**Portability:** N/A

**Anticipated changes:** Pension Reform Legislation

**Reciprocal Agreements:** Under current review. First changes will be to match pending legislative requirements.

i) Teachers' Superannuation Commission
ii) Province of Ontario
iii) Federal Government
iv) Hospitals of Ontario Pension Plan and Hospital for Sick Children Pension Plan
v) Colleges of Applied Arts and Technology
vi) Province of Alberta
vii) York
viii) Others

## UNIVERSITY OF TORONTO

**Type of Plan:** defined benefit with minimum pension guarantee

**Eligibility:** all full-time academic and non-academic staff and part-time staff with an annual salary of at least 35% of the YMPE; compulsory for full-time and part-time staff at age 35 whose total percentage of appointments are equal to 25% or more of full-time.

**Member Contributions:** full-time staff: 2 1/2% of regular earnings up to YMPE and 5% of regular earnings in excess of YMPE; part-time staff: same as full-time but pro-rated to their percentage of full-time worked.

**University Contributions:** at least an amount equal to the member's required contributions; 9.24% of members pensionable earnings

**Benefits:**

1) **on Normal Retirement:** (age 65) the annual pension provided by the formula: ((1.0% x avg YMPE) + (2.0% x EX)) x YS subject to the minimum pension guarantee of 40% of member's total required contributions. ABYE, used in finding EX, is calculated over those 36 months of highest earnings. Part-time staff member treated the same as full-time members except pension service accrual pro-rated to their percentage of full-time work.

**Indexing:** Annual indexation equal to CPI-4% or 60% of the CPI whichever is greater (but not less than 0) and in addition further augmentation will be considered on an annual ad hoc basis.

**Standard Options:** the benefit is normally payable for life but guaranteed 60 months in any event, but may optionally be guaranteed 120 months to single members only.

2) **on Early Retirement:** (age 55)

a) all members who have at least 5 years of full-time participation in the plan will receive a benefit based on service and earnings to early retirement and reduced 5% for each year early retirement precedes normal retirement.

b) Administrative Staff Only: may elect early retirement with an actuarially unreduced pension - on the last day of the month in which the member reaches actual age 65, or the end of any month thereafter, but not later than the following June 30th; or when age (minimum age 60) plus years of service equal 80 or more.

3) **on Termination:** member's option of (subject to pension laws):

i) a deferred paid-up annuity payable at normal retirement based on service and earnings to resignation
ii) transfer of twice member's contributions plus interest to registered pension fund or to an RRSP
iii) refund of member contributions and interest
iv) leave contributions in Plan thus retaining a pension entitlement which is subject to indexation (deferred pension)

4) **on Death:**

**Before retirement:** Single members; beneficiary receives lump sum payment equal to commuted value of member's pension benefit. Married members; spouse receives lump sum payment equal to commuted value of member's pension benefit or an immediate or deferred pension the commuted value of which is at least equal to the member's pension benefit.

**After retirement:** Single members: Beneficiary receives balance of unpaid portion of five year guaranteed pension. Married members: 50% of the member's pension is paid to the spouse until death.

**Model Pension Calculation:** Based on 35 years of pensionable service

(1.0% x 24,041.67)) + (2.0% x 25,958.33) x 35

= $26,545.42

**Trustee:** Montreal Trust Company

**Investment Manager:** Gryphon Investment Counsel Inc., Knight, Bain, Seath & Holbrook Capitol Management Inc., Jarilowski, Fraser Co. Ltd.

**Pension Committee:**

**Composition:** Committee members from the Staff & Faculty Associations are nominated by their respective association and then appointed by the President of the University.

**Responsibility:** to review terms benefits, and administration of the pension plan including employee/employer costs, performance of the fund, and the making of recommendations for changes in the plan when necessary.

**Status:**

**Unfunded liability:** none on July 1, 1986

**Experience Deficiency:** none on July 1, 1986

**Fund performance:** rates of return on investments made by the fund:
1982-83 = 44.6% 1983-84 = 1.6%
1984-85 = 27.7% 1985-86 = 22.6%
1986-87 = 13.9%

**Actuarial Evaluation Date:** July 1, 1986 (obtained annually on July 1st)

**Actuarial assumptions in the fund projection:**
Valuation Interest Rate - 8%
Inflation - 5 3/4%
Salary scale is composed of an assumed inflation rate, a factor to reflect future increased in productivity and a merit and promotion scale.
1971 Group Annuitants Mortality Table rated down 2 years.

**Indexing (actual):**

| | |
|---|---|
| July 1, 1979 - 5.0% | July 1, 1983 - 5.3% |
| July 1, 1980 - 6.5% | July 1, 1984 - .5% |
| July 1, 1981 - 7.0% | July 1, 1985 - 1.0% |
| July 1, 1982 - 8.7% | July 1, 1986 - 4.4% |
| | July 1, 1987 - 2.52% plus 2% to 15% ad hoc depending on year of retirement |

**Portability:** pension credits, that is, the greater of twice member's contributions, plus interest, or the accrued value of the pension are transferable to another registered pension fund but a number of years of service, used to calculate the defined benefit, would probably be lost in the transfer.

**Anticipated changes:** Currently under review - Pension Plan changes required under the revised Pension Benefits Act of Ontario.

**Reciprocal Agreements:** Federal Government, Province of Ontario, Ontario Teachers Superannuation, Alberta Universities Academic Pension Board, Ontario Council of Regents for Colleges of Applied Arts and Technology, Hospital for Sick Children, Alberta Public Service Pension Board, University of Guelph, University of Manitoba, McGill University, The Ontario Cancer Institute, Trinity College, Victoria University, St. Michael's College and Hospitals of Ontario Pension Plan (HOOP).

## TRENT UNIVERSITY

**Type of Plan:** defined benefit; final average earnings, independent of C.P.P.

**Eligibility:** all full-time academic and non-academic staff; compulsory from date of appointment. "Ongoing Part-time Employees" whose appointments are at least half-time; three months waiting period.

**Member Contributions:** 5.25% of regular earnings.

**University Contributions:** amount necessary to adequately fund the plan, but not less than members'.

**Benefits:**

*1) **on Normal Retirement:** (July 1st following 65th birthday) the annual pension provided by the formula:
2% x final average earnings x years of service.
Final average earnings are the highest average annual earnings paid during any five of the last ten years immediately preceding retirement.

**Indexing:** current one year G.I.C. rate minus actuary's assumed interest rate

**Standard Options:** the "normal pension" benefit is payable for life, but is also guaranteed 60 months and the following options are available:
i) life only
ii) life guaranteed 120 months
iii) joint and last survivorship

2) **on Early Retirement:** (age 55) the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.5% for each month early retirement precedes normal retirement.
Staff only: Retirement date at the University will be the first of July immediately following, or coincident with, the staff member's sixty-fifth (65th) birthday. For a staff member whose sixty-fifth (65th) birthday falls between July 1 and December 31, retirement on full pension and without penalty on December 31st is an option.

3) **on Termination:** member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement
ii) transfer of twice member's contributions, plus interest, to registered fund of new employer or to RRSP.

4) **on Death:**

**Before retirement:** beneficiary receives member's contributions plus interest a) as a lump sum, or b) as life annuity if beneficiary is spouse of member.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of benefit payments.

**Model Pension Calculation:** assuming 35 years of service and average salary of $50,000
2.0% x $50,000 x 35 = $35,000 p.a.

| | |
|---|---|
| Trustee: | National Trust Company, Limited |
| Investment Manager: | Sceptre Investments |
| Pension Committee: Composition: | Balanced representation of Board, Faculty, Staff and Administration. |
| Responsibility: | (a) Receive reports, monitor the plan and to recommend to the Board;<br>(b) Both Committee and Board approvals needed for plan changes. |
| Status: Unfunded liability: | None on July 1, 1986 |
| Experience Deficiency: | None on July 1, 1986 |
| Fund performance: | 16.5% in 1984-85<br>20.2% in 1985-86 |
| Actuarial Evaluation Date: | July 1, 1986 |
| Actuarial assumptions in the fund projection: | Interest 6%<br>Salary Scale 5% |
| Indexing (actual): | 1 July 1978 - 3.3% 1 July 1979 - 4.9% 1 July 1980 - 7.6%<br>1 July 1981 - 8.0% 1 July 1982 - 10.5% 1 July 1983 - 5.6%<br>1 July 1984 - 3.7% 1 July 1985 - 3.8% 1 July 1986 - 3.04%<br>1 July 1987 - 2.04%<br><br>Board of Governors approved exceeding the above amounts to full cover CPI up to July 1, 1986. |
| Portability: | twice member contributions plus interest or value of accrued pension, whichever is greater, transferable to another registered pension plan or R.R.S.P. |
| Anticipated changes: | to comply with Ontario Pension Benefits Act. |
| Reciprocal Agreements: | Government of Canada, Teachers' Superannuation Commission, Province of Ontario. |
| Voluntary Early Retirement: | For a defined 5 year period (to June 30, 1992), the Faculty Collective Agreement includes provision for partial or full early retirement with pension protection. |

## UNIVERSITY OF WATERLOO

**Type of Plan:** defined benefit

**Eligibility:** all full-time academic from day one of employment and non-academic staff 3 mos. following appointment, compulsory from age 35.

**Member Contributions:** 4.875% of regular earnings plus CPP contributions (up to YMPE, 6.5% in excess).

**University Contributions:** at least an amount equal to the aggregate of the members' required contributions; currently, 100% of aggregate.

**Benefits:**

1) **on Normal Retirement:** (age 65) the annual pension provided by the formula: ((1.3% x avg YMPE of previous 3 years) + (2.0% x EX)) x YS. FGAE used in finding EX, is calculated over those consecutive 36 months of the last ten years with the highest earnings.

**Indexing:** guaranteed up to 5% if cost of living index warrants but more is possible subject to fund's ability to pay.

**Standard Options:** the benefit is normally payable for life, but guaranteed 60 months in any event, although the following options are available:

i) life only
ii) life guaranteed 120 months
iii) joint and last survivorship

2) **on Early Retirement:** (age 55) the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.33% for each month early retirement precedes age 65, for the ages 60-65, and 0.5% for each month early retirement precedes age 60.

3) **on Termination:** member's option of (subject to pension laws):

i) a deferred pension payable at normal retirement
ii) actuarial value of accrued pension to registered pension fund of new employer or to an RRSP that is locked in.
iii) refund of members contributions and interest.

4) **on Death:**

**Before retirement:** refund of member's required contributions plus interest to the beneficiary

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of benefit payments. (minimum payout of required contributions plus interest - less any excess contributions paid - except Life only)

**Model Pension Calculation:** annual pension provided by the formula:
[(.013% x 25,033.33) + .02 (50,000 - 25,033.33)] 35
= [325.43 + 499.33] x 35
= $28,866.60

N.B. The University must fund 50% of the value of the employee's pension. If at termination or retirement, required contributions plus interest exceed 50% of the actuarial value of the pension, the excess belongs to employee.

| | |
|---|---|
| **Trustee:** | Canada Trust |
| **Investment Manager:** | Jarislowsky, Fraser & Co., Mucana and M.K. Wong & Associates |
| **Pension Committee: Composition:** | three faculty members selected by Faculty Association for approval by President, 2 Board members appointed by Board, two non-union staff members; one union staff member; Treasurer; Director of Employee and Student Services; University President. |
| **Responsibility:** | responsible for monitoring the results of the investment management of the fund and for the periodic review of the plan to keep it current with other plans. |
| **Status:** | |
| **Unfunded liability:** | no present unfunded liability |
| **Experience Deficiency:** | no present experience deficiency |
| **Fund performance:** | 1975 - 11.96% 1976 - 11.74% 1977 - 9.64%<br>1978 - 17.12% 1979 - 19.05% 1980 - 23.56%<br>1981 - -0.[illegible]% 1982 - 23.57% 1983 - 19.16%<br>1984 - 8.54% 1985 - 24.56% 1986 - 12.21% |
| **Actuarial Evaluation Date:** | January 1, 1987 |
| **Actuarial assumptions in the fund projection:** | Mortability 1983 Group Annuitants<br>Interest - 7%<br>CPI - 4% |
| **Portability:** | pension credits, that is, actuarial value of accrued pension is transferable to another registered pension fund but a number of years of service, used to calculate the defined benefit, could be lost in the transfer depending on new plan benefits and costs. |
| **Reciprocal Agreements:** | - Public Service Superannuation<br>- Alberta Superannuation<br>- Teacher's Superannuation Commission |

## UNIVERSITY OF WESTERN ONTARIO

**Type of Plan:** money purchase (minimum guarantee to faculty members who belonged to the old plan as of 01.07.70 and were age 45 as of 01.07.70 and staff members who were employees as of 01.05/74)

**Eligibility:** all full-time academic staff; compulsory from date of appointment. All full-time administrative staff and union, voluntary from date of appointment, compulsory from age 30.

**Member Contributions:**
Faculty - 5.5% of regular earnings
Staff - 6.0% of regular earnings less C.P.P. contributions

**University Contributions:**
Faculty - 8.5% of member's regular earnings
Staff - 7.5% of member's regular earnings increasing to 8.5% after 20 years service.

**Benefits:**

1) **on Normal Retirement:** (age 65) an annuity purchased by the vested amount in the member's money purchase account. Members subject to the minimum guarantee will receive at least:
Faculty - (2.0% x ABYE x YS to max. 20 yrs.) + (1.0% x ABYE x YS after 20 yrs. to max. 20 yrs.)
Staff - (2.0% x ABYE x YS to max. 35 yrs) - (0.7% x ABYE up to YMPE in retirement YR x YS after 01.01.66)
Note - ABYE calculated over the best 5 years.

**Indexing:** on Ad Hoc basis

**Standard Options:** the annuity is normally a fixed life annuity guaranteed 60 months but may optionally be:
i) members not subject to minimum guarantee may elect to purchase a variable life annuity, or an indexed annuity in which benefit amounts are adjusted yearly according to the CPI (max. 3% per annum)
ii) in any event, the type of annuity chosen is payable according to one of the following typical options:
   a) life only
   b) life guaranteed 120 months - also 180
   c) joint and last survivorship

2) **on Early Retirement:** (age 55) the monthly annuity payments are actuarially reduced

3) **on Termination:** member's option of (subject to pension laws):
   i) deferred pension payable at normal retirement
   ii) transfer of money purchase account to registered pension fund of new employer or to an RRSP
   iii) cash refund subject to appropriate withholding tax.

4) **on Death:**
**Before retirement:** beneficiary has option of receiving member's money purchase account as a lump sum, subject to the appropriate withholding tax or may transfer to an R.R.S.P. If the beneficiary is the member's spouse, account may be used to purchase an immediate annuity.

**After retirement:** benefit entitlement to beneficiary as determined by the guaranteed period of annuity payments.

**Model Pension Calculation:**

minimum guaranteed annual pension for only those subject to the minimum guarantee:

Faculty - (2.0% x $50,000 x 20) + (1.0% x $50,000 x 15)
= $20,000 + $7,500
= $27,500.00

Staff (2.0% x $50,000 x 35 ) - (0.7% x 25,900 x 19)
= $35,000 - $3,444.70
= $31,555.30

Money purchase plan is producing, for most retirees, a pension benefit in excess of the minimum formula guarantee.

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Guaranteed Account - Manuvest<br>Fixed Income Fund - Timmins & Assoc.<br>- Laketon Capital Management<br>Equity Fund Foreign Equity:<br>- Knight, Bain, Seath & Holbrook<br>Canadian Equity:<br>- E.J. McConnell<br>- Knight, Bain, Seath & Holbrook<br>- Reed Monahan Nicholishen<br>- Jarislowsky & Fraser<br>Money Market Fund - Elliott & Page Limited - Eff. 1/1/88 |
| Pension Committee: Composition: | three members of faculty and three members of staff elected by members of the plan plus Vice-President, Administration and Finance (or his designate) and the Director of Personnel (or his designate) |
| Responsibility: | full power to administer the University Pension Plan including questions concerning the Plan and to make recommendations concerning the eligibility of any person, to prepare accounts and records showing detailed operation of the Plan and to arrange for the audit of plan records and accounts. |
| Status: | |
| Unfunded liability: | NIL |
| Experience Deficiency: | NIL |
| Fund performance: | for 12 month period ending December 31, 1986<br>Guaranteed Fund - 12.66%<br>Fixed Income Fund - 14.21%<br>Equity Fund - 15.89% |
| Actuarial Evaluation Date: | December 31, 1986 |
| Actuarial assumptions in the fund projection: | that the contribution accounts would accumulate at a net average rate of return of 7% per annum, that salaries would increase at an average annual rate of 5% per annum, and that the accumulated money purchase accounts would be converted to a pension on the basis of annuity factors calculated at 7% interest with mortability according to the Progressive Annuity Table. |
| Indexing: | NIL |
| Portability: | Employee and employer contributions plus accrued interest. |
| Anticipated changes: | - as may be necessary under requirements of Ontario Pension Benefits Act 1986<br>- establishment of Money Market Fund effective January 1, 1988. |
| Reciprocal Agreements: | Public Service Superannuation.<br>Teacher's Superannuation Commission<br>OMERS<br>Colleges of Applied Arts & Technology |

## WILFRID LAURIER UNIVERSITY

**Type of Plan:** money purchase with minimum guarantee

**Eligibility:** all full-time academic and non-academic staff; compulsory at age 30.

**Member Contributions:** 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE.

**University Contributions:** approximately 6.63% of member's regular earnings for current service.

**Benefits:**

1) **on Normal Retirement:** (age 65) a variable annuity purchased by the vested amount in the money purchase fund at retirement subject to the minimum guarantee:
(1.75% x ABYE x YS) - (CPP benefit x 1/35 x YS)
ABYE calculated over those five consecutive years of highest earnings.

**Indexing:** (a) minimum guaranteed pension benefit based on the increase in the cost of living with a maximum of 2%
(b) money purchase pension benefit based on fund earnings in excess of 7_%.

**Standard Options:** the annuity is normally a life annuity guaranteed 60 months but may optionally be:
i) life guaranteed 120 months
ii) life guaranteed 180 months iii) joint and last survivorship

2) **on Early Retirement:** (age 55) a variable annuity commencing at early retirement and subject to an actuarially reduced minimum guarantee.

3) **on Termination:** member's option of (subject to pension laws):
i) deferred pension payable at normal retirement
ii) transfer of money purchase account to registered pension fund of new employer or to an RRSP iii) refund of member's contributions and interest if he is less than age 45 and has less than 10 years service.

4) **on Death:**

**Before retirement:** beneficiary has option of receiving member's money purchase account as a lump sum or as a life annuity.

**After retirement:** benefit entitlement to beneficiary or estate as determined by guaranteed period annuity payments.

**Model Pension Calculation:** minimum guaranteed annual pension: (using CPP for 1986)
(1.75% x $50,000 x 35) - ($5833 x 1/35 x 35)
= $30,625 - 6,258
= $24,367

**Trustee:** Canada Trust

**Investment Manager:** Jarislowsky, Fraser & Co.

**Consultant:** Wm. M. Mercer Ltd.

**Pension Committee:**
**Composition:** Standing Committee of Board of Governors; 2 staff appointed by Staff Association, 2 faculty appointed by Faculty Association, 5 board members appointed by Board of Governors, 1 Staff appointed by the Union.

**Responsibility:** The Pension Committee shall determine all questions arising in the administration of the Plan, including the interpretation and application of the Provisions of the Plan together with eligibility, service, earnings and retirement dates of members for purposes of the Plan. Such decisions of the Pension Committee shall be final and binding on all concerned, subject, when necessary, to referral to the Board of Governors of the University.
In addition, the Pension Committee will be responsible for reviewing the performance of the Fund, and for the preparation of recommendations to the Board of Governors of the University concerning proposed changes in the Plan, or in its funding.

**Status:**
**Unfunded liability:** NIL

**Fund performance:** rate of return on investment made by the fund as per Wood Gundy time-weighted rate of return.

| | | | |
|---|---|---|---|
| 1973-74 = | 11.25% | 1974-75 = (10 months) = | 10.01% |
| 1975-76 = | 9.18% | 1976-77 = | 12.4% |
| 1977-78 = | 10.56% | 1978-79 = | 11.08% |
| 1979-80 = | 7.80% | 1980-81 = | 3.3% |
| 1981-82 = | 1.3% | 1982-83 = | 45.4% |
| 1983-84 = | 2.5% | 1984-85 = | 30.1% |
| 1985-86 = | 22.5% | 1986-87 = | 14.6% |

**Actuarial assumptions in the fund projection:** No change

**Indexing:** No change

**Portability:** Money purchase component is transferable to another registered pension fund.

**Anticipated changes:**

**Reciprocal Agreements:** Ontario Teachers Superannuation

## UNIVERSITY OF WINDSOR

**Type of Plan:** Defined Benefit; F.A.E. (STAFF)

**Eligibility:** all full-time union and administrative staff upon completion of probation period.

**Member Contributions:** 4.2% of gross earnings up to YMPE and 6% of gross earnings in excess of YMPE

**University Contributions:** Such amount that may be required to provide retirement income accruing to members pursuant to the plan; plus any unfunded liabilities or experience deficiency; plus 1% of member's earnings to the minimum guarantee fund.

**Benefits:**

1) **on Normal Retirement:** (age 65)

[(1.25% x AVG YMPE) + (2% x EX)] x YS
ABYE, used in finding EX, calculated over those five years of highest earnings.

**Indexing:** NONE

**Standard Options:**
Normal - Life guaranteed 5 years
Optional - Life only
- Life guaranteed 10
- Joint & Survivor

2) **on Early Retirement:** (age 55) member may take a reduced pension earned to date of retirement.

3) **on Termination:**
(Subject to Pension Legislation)
1. Deferred pension
2. Refund of Member's contributions plus interest.
3. Transfer own cont. & int. to locked-in R.R.S.P.

4) **on Death:**

**Before retirement:** Lump sum refund of member's contributions plus interest. For employees with eleven or more years of service will receive part or all of university's contributions.

**After retirement:** As per option selected.

**Model Pension Calculation:**
minimum guaranteed annual pension:
STAFF PLAN
[(1.25 x 21,000) + (2% x 29,000)]
= (262.50 + 580.00) x 35
= $29,487.50

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Gryphon Investment Counsel Inc.<br>Jarislowsky Fraser |
| Pension Committee:<br>Composition: | 5 Members appointed by University<br>1 Member to be appointed by each of 5 unions - Total 5<br>Chairman elected from committee |
| Responsibility: | All questions arising from administration of plan<br>- interpretation, application of provisions of plan<br>- earnings, service, eligibility, retirement dates. |
| Status: | |
| Unfunded liability: | NONE |
| Experience Deficiency: | NONE |
| Fund performance: | June 30, 1982 = (3.70)%<br>June 30, 1983 = 39.13<br>June 30, 1984 = (2.773)%<br>June 30, 1985 = 22.568%<br>June 30, 1986 = 15.71%<br>June 30, 1987 = 14.07% |
| Actuarial Evaluation Date: | July 1, 1986 |
| Actuarial assumptions in the fund projection: | 6% July 1, 1986<br>1971 Group Annuity Table<br>No Turnover<br>Retire - age 65<br>Salary Increase 5% |
| Indexing: | NONE |
| Portability: | YES |
| Anticipated changes: | Changing Pension Formula to 2% plan for all years of service - [(1.25% x AVG Y.M.P.E.) + (2% x EX)] x YS. |
| Reciprocal Agreements: | NONE |

WINDSOR (cont'd)

Type of Plan: money purchase with minimum guarantee (FACULTY)

Eligibility: all full-time academic staff; compulsory at the later or either the date of appointment or age 25.

Member Contributions: 4.2% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE

University Contributions: an amount equal to the member's required contributions to the money purchase fund plus 1.5% of member's regular earnings to the minimum guarantee fund.

Benefits:

1) on Normal Retirement: (age 65) a variable annuity purchased by the bested amount in the money purchase fund at retirement subject to the minimum guarantee:

* ((1.25% x avgYMPE) + (2% x EX)) x YS

ABYE, used in finding EX, calculated over those five years of highest earnings.

Indexing: maximum 2% per annum

Standard Options: the annuity is normally a life annuity guaranteed 60 months but may optionally be:

i) life only
ii) life guaranteed 120 or 180 months
iii) joint and last survivorship

2) on Early Retirement: (age 55) a variable annuity commencing at early retirement and subject to the minimum guarantee and actuarially reduced.

3) on Termination: member's option of (subject to pension laws):

i) deferred pension payable at normal retirement
ii) transfer of money purchase account to registered pension fund of new employer or to an R.R.S.P. locked-in
iii) refund of member's contributions and interest

4) on Death:

Before retirement: beneficiary has option of receiving member's money purchase account as a lump sum, as a life annuity, or in instalment payments.

After retirement: benefit entitlement to beneficiry as determined by guaranteed period of annuity payments.

Model Pension Calculation: minimum guaranteed annual pension:

FACULTY NEW PLAN
[(1.25 x 18,780) + (2% x 31,220)]
- (234.75 + 624.40) x 35
= $30,070.25

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Gryphon Investment Counsel Inc. and Jarislowsky Fraser |
| Pension Committee: Composition: | two faculty members appointed by Faculty Association, two others appointed by Board of Governors, Vice-President, Finance-Administration (Chairman). |
| Responsibility: | review plan text, advise Faculty Association or employee groups of day to day operation of plan. |
| Status: | |
| Unfunded liability: | $68,000 - July 1, 1984 (paid-up July 1, 1992) |
| Experience Deficiency: | $NIL |
| Fund performance: | June 30, 1980 - 11.12%<br>June 30, 1981 - 8.94%<br>June 30, 1982 - (3.61%)<br>June 30, 1983 - 39.03%<br>June 30, 1984 - (2.770)%<br>June 30, 1985 - 22.57%<br>June 30, 1986 - 15.77%<br>June 30, 1987 - 14.06% |
| Actuarial Evaluation Date: | July 1, 1984 |
| Actuarial assumptions in the fund projection: | - mortality - annuity table for 1971.<br>- pension fund will earn interest of 4 1/2% per annum.<br>- salary increases - 4 1/2% per annum and YMPE will increase at the rate of 4 1/2% per annum. |
| Indexing (actual): | 2% per year maximum |
| Portability: | YES |
| Anticipated changes: | NIL |
| Reciprocal Agreements: | NIL |

## YORK UNIVERSITY

**Type of Plan:** money purchase with a minimum guarantee

**Eligibility:** all full-time and continuing part-time academic and non-academic staff age 25 or over; compulsory at age 30.

**Member Contributions:** 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE

**University Contributions:** at least an amount equal to the member's required contributions; currently, 135% of member contributions

**Benefits:**

1) **on Normal Retirement:** (age 65)

a variable annuity purchased by the amount in the money purchase fund at retirement subject to the minimum guarantee:
((1.4% x avg YMPE) + (1.9% x EX)) x YS
ABYE, used in finding EX, is calculated over those five years of highest earnings since 01.07.60

**Indexing:** based on four-year moving average of fund investment performance

**Standard Options:** the annuity is usually a Normal Form (J.S. 50% or Life Only)of annuity but may optionally be:
i) life guaranteed 60, 120 or 180 months
ii) joint and last survivorship (75%/100%)

2) **on Early Retirement:** (age 55)

a variable life annuity, commencing at early retirement, subject to a minimum guarantee pension reduced by: .25% per month between age 60 and 65 plus .5% per month between age 55 and 60.

3) **on Termination:**

member's option of (subject to pension laws):
i) a deferred annuity payable at normal retirement
ii) transfer of money purchase account to registered pension fund of new employer or RRSP (Locked In) iii) refund of member contributions and interest.

4) **on Death:**

**Before retirement:**

i) no spouse or dependents: settlement equal to the balance in the "money purchase" account of the deceased member with credited interest.
ii) surviving spouse has option of: a) lump sum payment (as above), b) variable annuity purchased by lump sum, or c) 50% of member's minimum guarantee pension.
iii) dependent children's benefit for children under age 18. (Maximum $200.00).

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments, or if no guaranteed period, payment of spouse benefit.

**Model Pension Calculation:**

minimum guaranteed annual pension:
[(1.4% x $21,000) + (1.9% x $29,000)] x 35
= ($294.00 + 551.00) x 35
= $29,575.00

**Trustee:** Canada Trust Co.

**Investment Manager:**
Gryphon Investment Counsel Inc.
Jarislowsky Fraser & Co.
Sceptre Investment Counsel Limited

**Pension Committee:**
**Composition:** two faculty members, two non-academic staff member, and six members representing the administration and the Board of Governors.

**Responsibility:** Reviews and recommends administrative/investment proposals/changes to Board of Governors

**Status:**
**Unfunded liability:** no unfunded liability as of December 31, 1982

**Fund performance:** fund rate of interest:

| | |
|---|---|
| June 30, 1972 = +10.4% | June 30, 1973 = (2.935%) |
| June 30, 1974 = (3.813%) | June 30, 1975 = 10.559% |
| June 30, 1976 = 5.542% | June 30, 1977 = 7.298% |
| June 30, 1978 = 10.8602% | June 30, 1979 = 21.1175% |
| June 30, 1980 = 15.189% | June 30, 1981 = 11.8784% |
| June 30, 1982 = (5.662%) | Dec. 31, 1982 = 25.801% |
| Dec. 31, 1983 = 19.5973% | Dec. 31, 1984 = 7.8471% |
| Dec. 31, 1985 = 23.5085% | Dec. 31, 1986 = 14.1153% |

**Actuarial assumptions in the fund projection:**
Salary Scale 5%
Interest 6%
CPP Scale 7% for 2 yr.
4 1/2% thereafter

**Indexing (actual):**

**Portability:** money purchase component is transferable to another registered pension fund but the minimum guarantee is effectively sacrificed in the sense that a number of years of service would probably be lost in the transfer.

**Anticipated changes:** NIL

## EARLY RETIREMENT OPTIONS

### GUELPH

Special Early Retirement Plan (SERP): The SERP program was developed as a one time inducement that would allow all employees, who as of July 1, 1987 were 55 years of age or over, to take advantage of the following:

A. For eligible employees hired on or after September 1, 1964:
   (i) The early retirement discount to be waived.
   (ii) Participants to be granted additional service to the extent of one-half the remaining service to age 65.
   (iii) Participants to be provided with a bridge payment of $400.00 per month until the age of 65.

B. For eligible employees hired before September 1, 1964:
   (i) And who were also eligible for a Civil Service Supplement, a lump sum retiring allowance of one month's salary for each complete six month period remaining to age 65 plus a pro-rated monthly portion of one month's salary for any remaining complete calendar months. (Persons who were eligible for full pension because of the permanent change to the plan permitting retirement at age 60 plus 35 years of service did not have this option available to them.)
   (ii) for those not eligible for a Civil Service Supplement, the early retirement benefits listed as A. (i), (ii) and (iii) above applied.

Finally, for all participants of this program, the University paid 100% of major medical premiums, 66.6% of OHIP premiums and life insurance premiums to the extent of 1 times salary to the age of 65. It was indicated these payments would be made from the University's operating budget whereas the bridging benefits referred to in A. (iii) would be paid from the pension fund.

### TRENT

For a defined 5 year period (to June 30, 1992), the Faculty Collective Agreement includes provision for partial or full early retirement with pension protection.

### TORONTO

No formal early retirement options. The University continues to subsdize the actuarial reduction: from age 60 to age 65 at 4% per year; from age 55 to age 60 at 6% per year.

### WESTERN

Academic Pension Plan - Tenure - 15 Years Service - Age 55 - CURRENTLY UNDER REVIEW

(a) Subject to the exercise of the University's overriding discretion, an early retirement supplementary benefit as defined in (b) below may be provided upon the initiative of the University. Among the bases on which such a provision may be considered are:

   (i) That the early retirement would not adversely affect or interfere with academic priorities, objectives or operations. For example, the University would have to be satisfied that the early retirement would not impair the ability of the Faculty or Department or Academic Unit to function effectively.
   (ii) That the early retirement would not be financially disadvantageous to the University. For example, the University would have to be satisfied that the early retirement which required the appointment of a replacement member of faculty would not result in a net cost to the University.
   (iii) That the costs associated with the early retirement within any period of time must be within the financial or other budgetary parameters of the University.

Western (cont'd)

(b) The benefits under this section are as follows:

(i) Special Members (Defined Benefit Plan)
The early retirement supplementary benefit will be payable at the date of early retirement, but calculated on the average of the best three consecutive annual earnings to the date of early retirement and as if service but not salary had been continuous up to the normal retirement date. This benefit would be incremented by the lesser of the Cost of Living Index (Consumer Price Index) or 7% on the first day of July of each year thereafter until the normal retirement date, at which time the benefit will reduce the average annual benefit received between the date of early retirement and the date of normal retirement.

(ii) Regular Members (Defined Contribution Plan)
The early retirement compensation benefit will be payable at the date of early retirement, but calculated as if employment had been continuous up to normal retirement date, assuming 3% annual salary increments, with interest 9% credited to the individual's contribution account assuming the average rate of return earned by the guaranteed fund over the past five years as calculated on the anniversary date of the Pension Plan immediately preceding the date of early retirement.

(iii) All early retirement calculations will be on the basis of a life pension guaranteed five years but at the request of the retiree may be modified in accordance with Section 8, Subsection (2).

(iv) Each early retiree under this plan will be entitled to all benefits and privileges, of a normal retiree. These include, for example, a paid-up life insurance policy, continuance of OHIP coverage, Supplemental Health Benefits and library privileges.

(c) The application of this subsection of the Plan is at the sole discretion of the University and any decisions thereunder are final.

**YORK**

Faculty - Following attainment of age 55 an employee who has held tenured/continuing appointment status for at least five years of active service, prior to the commencement of the selected option or normal retirement age whichever date occurs first, may elect one of the following options:

(a) Revocable Reduced Load Status: Workload reduction (with an equivalent teaching load reduction) and corresponding salary rate reduction of up to one-half of normal load and normal salary, with Employer and employee contributions to Pension and salary-based benefits to be at 100% of nominal base salary rate. An employee on such "revocable reduced load" may, upon giving of nine months' notice, return to full load status. After three consecutive years on "revocable reduced load", the employee must return to full-load status, or move to "irrevocable reduced load". An employee may elect "revocable reduced load" more than once, provided that the cumulative total of such leaves does not exceed six years.

(b) Irrevocable Reduced Load Status: Workload reduction (with an equivalent teaching load reduction) and corresponding salary rate reduction of up to two-thirds of normal load and normal salary, with the Employer contribution to Pension and salary-based benefits to be at 100% of nominal base salary rate, and the Employer to contribute also the amount required to bring the employee's contributions up to 100% of full nominal rate.

(c) Retirement from the University: All employees who retire from the University shall be accorded the status of "continuing members of the University" pursuant to Article 14.08 and shall be entitled to all the benefits associated with that status. Retirement shall normally be followed by assumption of any of the following options:

York (cont'd)

(i) No regular paid or unpaid responsibilities; such irregular non-teaching academic or service responsibilities as may be agreed between the "continuing member of the University" and the Employer;

(ii) A part-time teaching or professional librarian appointment (with associated scholarship responsibilities);

(iii) Designation as a "Senior Scholar"

Employees who retire from the University and who are eligible for option (c)(ii), above, shall be offered the opportunity to teach at least one course on a part-time basis in each of the six years following retirement. Employees with this right shall provide their academic unit with nine months' notice of their intention to teach or not to teach in each of the years in which they retain the right to be offered part-time teaching. Employees offered appointment on a part-time basis following retirement shall be offered a minimum salary rate of:

(i) one-third of the salary floor of the last rank held prior to retirement per full-course equivalent with associated duties, for Professorial and Alternate Stream employees;

(ii) h/35 x salary floor of the last rank held prior to retirement, for Professional Librarian employees, where "h" is the number of hours contracted for.

Notwithstanding the above, a maximum will be applied to any retired employee's payments for part-time employment at York, such that the total remuneration for part-time employment PLUS the York Pension Plan payments for which he/she is eligible shall not exceed the full-time salary which would have been paid had he/she continued employment on a full-time basis.

Such employees shall, notwithstanding their formal status as part-time employees of the University, be permitted to use the title which they held at the time of their retirement.